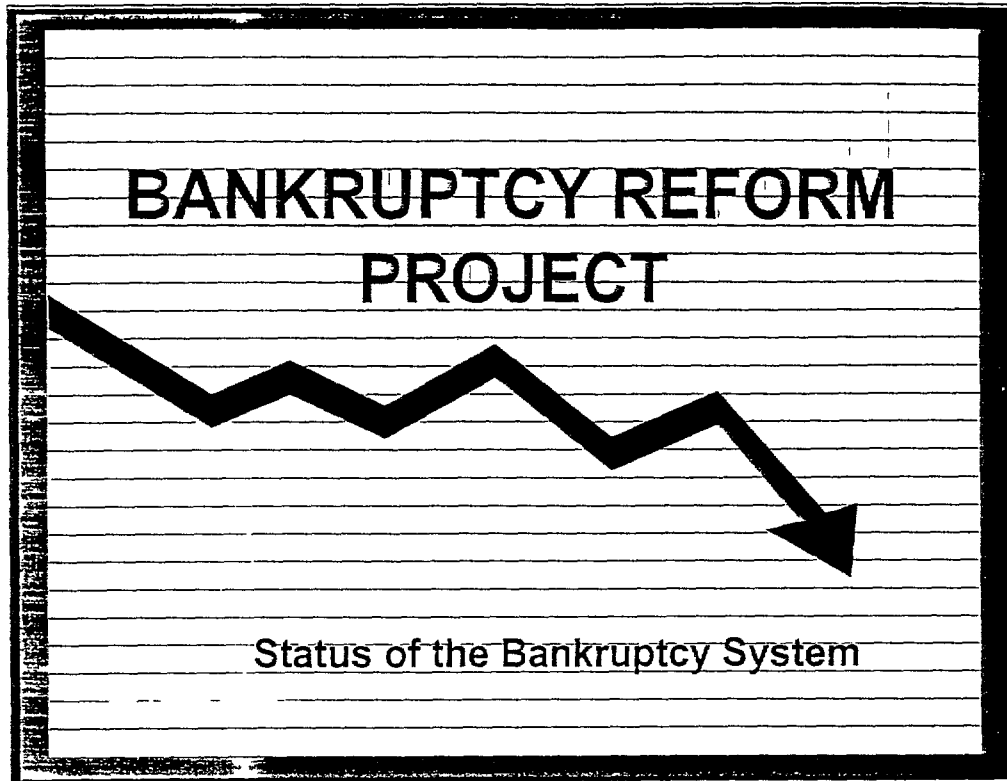


PW: ACE-433
CONTRACT # EPE-I-01-95-00069-00
100388



BANKRUPTCY

A CRITICAL AND NECESSARY COMPONENT OF A MARKET ECONOMY

- ☐ Provides a legal mechanism for viable firms to reorganize
- ☐ Provides failing firms with an orderly means of exit
- ☐ Provides a method to recycle assets back into productive use
- ☐ Promotes the flow of credit by protecting creditors rights
- ☐ Encourages use of credit to finance economic growth

LEGISLATION STATUS.

New Amendments Emergency Ordinance 58/1997

- ☐ Law 64/1995 has been amended by E O 58/1997
- ☐ E O 58 Amendments are not yet passed, soon to be considered by Parliament
- ☐ E O 58 contains sections that impede the ability of judges to process cases efficiently
- ☐ Judges are generally not in favor of E O 58
- ☐ Romanian Bankruptcy Institute has proposed alternative amendments

SYSTEMIC ISSUES IDENTIFIED

- Law overburdens syndic judges with non-judicial managerial responsibilities
- Judges do not want to be company managers and not trained to be crisis managers
- Inability to appoint qualified administrative receivers
- Syndic judges are not specialized, they are typically commercial tribunal judges

- Law encourages creditor petitions as a device for commercial dispute
- Law provides little or no sanction power over recalcitrant/disobedient debtors
- Lack of well-developed procedures and norms
- Key reorganization tools under Law 64 are eliminated in E O 58
- State budgetary enforcement power potentially supersedes preexisting secured interests

MOST DANGEROUS TO COMMERCIAL ACTIVITY·

Provision in E O 58 allows inconsistent treatment of governmental budgetary receivables pursuant to Law outside the bankruptcy

- ☐ quick seizure of assets by government irrespective of bankruptcy proceeding
- ☐ secured creditors rights compromised
- ☐ potential to overwhelm reorganization
- ☐ potential to impede commercial lending

**Romanian Bankruptcy Institute's proposed amendments
address many of the problems identified**

- ❑ Art 17 Syndic judge has the power to appoint an administrator to be designated by the Tribunal on recommendation of the creditors committee
- ❑ Art 38 Conveyance recovery sections will now be applicable to both reorganizations and liquidations
- ❑ Art 46 Syndic judge can maintain or reject contracts in both reorganizations and liquidations
- ❑ Art 106 Provision allowing for parallel treatment of government budgetary debts potentially compromising secured creditors' rights is abrogated

STATISTICS

Source Ministry of Justice

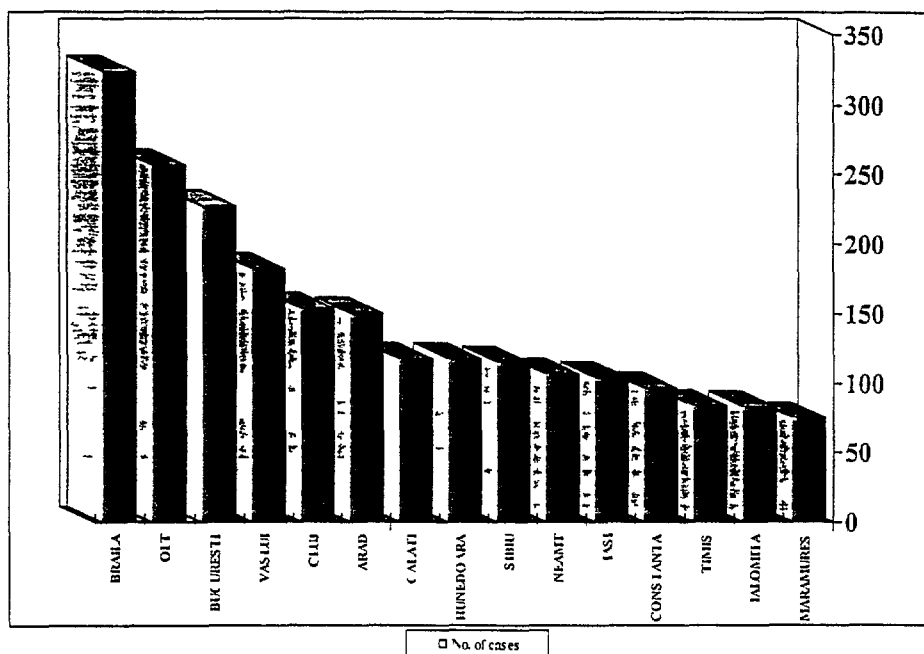
STATISTICS

- ☐ An estimated 6,000 cases have been filed under Law 64/1995
- ☐ The number of new petitions has decreased between 1996 and 1997 by 83 %
- ☐ The number of cases outstanding at year-end 1997 has increased by 93% over that of 1996

Syndic case volume and turnover

	<u>1996</u>	<u>1997</u>
Cases at beginning of year	221	849
Add New petitions	<u>2420</u>	<u>2219</u>
Subtotal	2641	3068
Less Cases resolved	<u>(1792)</u>	<u>(1307)</u>
Cases remaining at year end	849	1761

TOP FIFTEEN JUDETS
1997 TOTAL ACTIVITY BY REGION



Sorted by total activity

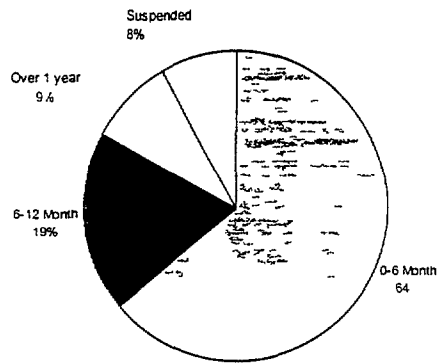
No.	County name	Cases to be resolved					
		Begin 1996	petit 1997	Total (Calc.)			
New column		1	2	3			
Old Column		1	2	New			
1	BRAILA	2	0.21%	321	44.47%	323	10.53%
2	OLT	141	16.51%	115	5.18%	256	8.34%
3	Munic BUCURESTI	51	6.01%	176	7.93%	227	7.40%
4	VASLUI	58	6.83%	124	5.59%	182	5.83%
5	CLUJ	64	7.54%	89	4.01%	153	4.89%
6	ARAD	26	3.06%	124	5.59%	150	4.89%
7	GALATI	30	3.53%	87	3.92%	117	3.81%
8	HUNEDOARA	18	2.12%	99	4.46%	117	3.81%
9	SIBIU	55	6.43%	60	2.70%	115	3.75%
10	NEAMT	32	3.77%	74	3.33%	106	3.45%
11	IASI	18	2.12%	86	3.88%	104	3.39%
12	CONSTANTA	37	4.36%	59	2.66%	96	3.13%
13	TIMIS	23	2.71%	61	2.75%	84	2.74%
14	IALOMITA	24	2.83%	59	2.66%	83	2.71%
15	MARAMURES	9	1.06%	66	2.97%	75	2.44%
16	CARAS - SEVERIN	12	1.41%	51	2.30%	63	2.05%
17	DOLJ	20	2.36%	43	1.94%	63	2.05%
18	SATU - MARE	25	2.94%	29	1.31%	54	1.76%
19	BRASOV	21	2.47%	30	1.35%	51	1.66%
20	BACAU	16	1.88%	34	1.53%	50	1.63%
21	MEHEDINTI	17	2.00%	33	1.49%	50	1.63%
22	VRANCEA	10	1.18%	40	1.80%	50	1.63%
23	SUCEAVA	18	2.12%	28	1.26%	46	1.50%
24	HARGHITA	16	1.88%	26	1.17%	42	1.37%
25	PRAHOVA	8	0.94%	34	1.53%	42	1.37%
26	TULCEA	5	0.59%	37	1.67%	42	1.37%
27	ALBA	4	0.47%	33	1.49%	37	1.21%
28	SALAJ	14	1.55%	22	0.99%	36	1.17%
29	BISTRITA NASAUD	4	0.47%	31	1.40%	35	1.14%
30	BUZAU	10	1.18%	25	1.13%	35	1.14%
31	CALARASI	9	1.06%	25	1.13%	34	1.11%
32	BOTOSANI	5	0.59%	22	0.99%	27	0.88%
33	VALCEA	13	1.53%	14	0.63%	27	0.88%
34	TELEORMAN	4	0.47%	18	0.81%	22	0.72%
35	GORJ	11	1.30%	10	0.45%	21	0.68%
36	COVASNA	3	0.35%	12	0.54%	15	0.49%
37	GIURGIU	8	0.94%	7	0.32%	15	0.49%
38	DAMBOVITA	2	0.24%	11	0.50%	13	0.42%
39	ARGES	2	0.24%	2	0.09%	4	0.13%
40	BIHOR	2	0.24%	2	0.09%	4	0.13%
41	MURES	2	0.24%	0	0.00%	2	0.07%
TOTAL (Computed)		849	100.00%	2219	100.00%	3068	100.00%
TOTAL (Given)		849		2219		N/A	
Difference		0		0		N/A	
Old Column		1	New	2	New	New	New

UNRESOLVED CASES TIME PERIOD ANALYSIS

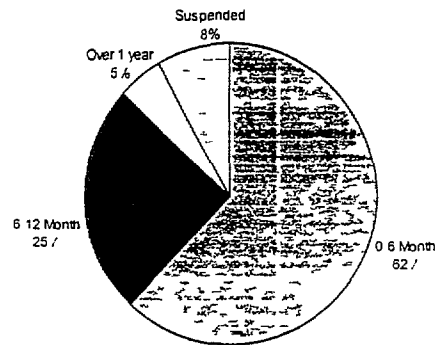
	0-6 Month		6-12 Month		Over 1 year		Suspended		Total	
1997	1128	64%	324	19%	165	9%	144	8%	1761	100%
1996	571	62%	232	25%	47	5%	77	8%	927	100%

UNRESOLVED CASES TIME PERIOD ANALYSIS

• 1997



• 1996



PERCENTAGE OF UNRESOLVED CASES

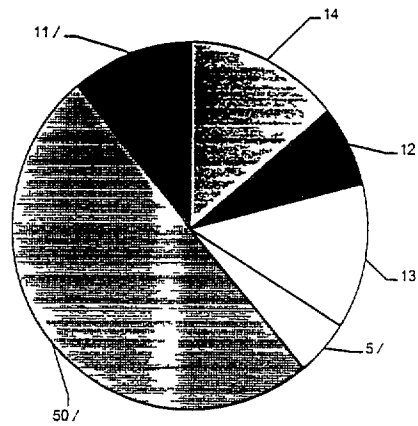
Year	To be resolved	Unresolved at year end	Percentage unresolved
1997	3068	1761	57%
1996	2641	926	35%

MODE OF RESOLUTION

Year	Plan Confirmed	Liquidation	Rejected	Action withdrawn	Other solution	Closed	Total
1997	213	100	190	70	734	167	1474
	14%	7%	13%	5%	50%	11%	100%
1996	98	39	93	29	1533	39	1831
	6%	2%	5%	1%	84%	2%	100%

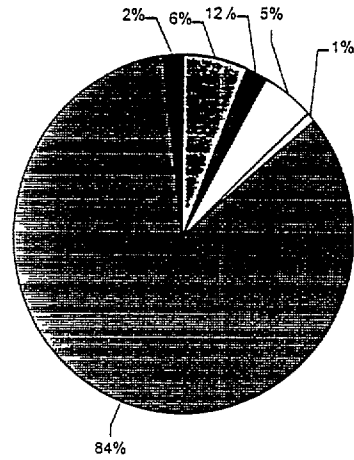
MODE OF RESOLUTION

• 1997



☐ Plan confirmed ☒ Liquidation
☐ Rejected ☐ Action withdraw
☒ Other solution ☒ Closed

• 1996



**PERCENTAGE REORGANIZATION VERSUS
LIQUIDATION**

	Reorganizations		Liquidations	
	#	%	#	%
1997	213	68%	100	32%
1996	98	71%	39	29%

ISSUES IDENTIFIED.

- ☐ Some judets indicated 100% reorganization rate with no liquidations
- ☐ Displays an unusually high rate of reorganization versus liquidation
- ☐ Typically 8 out of 10 reorganizations ultimately result in liquidation in the U S

SYNDIC JUDGE SURVEY

Syndic Judge Survey

Part I Short questions and answers

Part II Comparison of each provision of law
64/1995, E O 58/1997, RBI proposal

- ☐ Survey was ordered and authorized by the
Ministry of Justice
- ☐ Survey responses were received from 30
out of 41 judets
- ☐ A total of 65 responses were received
(some judets returned more than one response)

Survey information:

**Part I A barometer of judges opinions,
not an analysis of judets**

- ☐ Some judets had more than one response
(response by each judge)
- ☐ Some judets did not respond
- ☐ Many questions contained more than
one suggestion

Part II Straight tabulation of selections.

Conclusion: Judges overwhelmingly support the Romanian Bankruptcy Institute's proposed alternative amendments by a margin of 80% or greater.

Question 1

For how many syndic cases were you appointed as syndic judge?

Cases

0

1 - 10

11 - 30

31 - 100

101 - 200

201 >

Total

Numbers

17 responses

13 responses

20 responses

9 responses

5 responses

1 response

65 responses

Question 2

How many bankruptcy cases are you currently involved with?

Cases

0

1 - 10

11 - 30

31 - 100

101 - 200

201 >

Total

Numbers

17 responses

19 responses

13 responses

15 responses

0 responses

1 response

65 responses

Question 3

Did you have any hesitations when you were appointed syndic judge?

	<u>Numbers</u>	<u>Percentages</u>
Yes	43	66%
No	22	33%
Total	65	100 %

Question 3 (continuation)

Did you have any hesitations when you were appointed syndic judge?

Reasons cited for hesitation

•Law too complicated/slow/difficult	9
•Lack of training (Business)	7
•Lack of procedures	5
•New law	4
•Not judicial	4
•Low salary	2
•Not challenging	1
•Contact with offenders	1

Note Some responses cited more than one reason

Question 4

Do you believe that certain syndic judge should be appointed exclusively for bankruptcy cases (i.e. specialized)?

	<u>Numbers</u>	<u>Percentages</u>
Yes	32	49%
No	25	39%
No answer	8	12%
Total	65	100%

Question 5

What professional training should a syndic judge have compared to a regular judge?

	<u>Numbers</u>	<u>Percentages</u>
•Special training (Economics/Business/ Accounting/Finance)	39	60%
•No response	12	18%
•No special training	8	12%
•Other	4	7%
•Post graduating courses	2	3%
Total	65	100%

Question 6

What additional help could the syndic judge use in order to improve their effectiveness?

•Additional Funds/Equipment/Staff/	18
• Transportation	
•No answer	16
•Technical experts/Liquidators/ Administrators	12
•Clerk/Staff training	8
•Judges training	6
•Sanctioning power	3

Question 6 (continuation)

What additional help could the syndic judge use in order to improve their effectiveness?

•No additional support needed	3
•Procedural guide/norms	1
•Exemption from stamp tax requirement	1
•Market/Store to sell liquidated	1
•Regular work volume	1
•Method to pay experts	1
•Separate body of syndic judges	1
•Simplified procedure	1

Question 7

Would you be interested in being appointed as a permanent syndic judge?

7 1 If yes, why?

7 2 If not, for what reason?

	<u>Numbers</u>	<u>Percentages</u>
Yes	12	18%
No	53	82%
Total	65	100%

Question 7 (continuation)

Would you be interested in being appointed as a permanent syndic judge?

7 1 If yes, why?

7 2 If not, for what reason?

Reasons not interested

•Losing current profession	23
•Beyond expertise of judge	7
•Legislation not organized	5
•Lack of logistics/Transportation	3
•Lack of financial incentives	2
•Old age and health	1

Note Many responses contained more than one reason

Question 8

What would be the modifications you would make as far as the responsibilities of the syndic judges are considered?

- | | | |
|---|----|---|
| •Eliminate sealing and stock taking responsibilities (Art 10) | 23 | |
| •Appoint administrators | 6 | |
| •Simplify procedures | 3 | |
| •Change creditor assembly procedure | | 3 |
| •Follow RBI proposals | 2 | |
| •Eliminate conflict between syndic/ tribunal | 2 | |
| •Enhance sanction power for judges | 2 | |
| •Eliminate stamp tax | 1 | |

Question 8 (continuation)

What would be the modifications you would make as far as the responsibilities of the syndic judges are considered?

*68% cited elimination of non-judicial tasks
transferring them to an administrator*

Question 9

What difficulties did you have in appointing an administrator according to Article 17 in Law 64/1995 (assuming that you were in this position)?

•No answer	16
•Never had such a situation	31
•No qualified administrators	8
•No ability to pay administrators/ experts	7
•Creditors unwilling to appoint	6

Note Some responses cited more than one response

Question 10

What difficulties did you have, if any, in solving bankruptcy cases?

•No answer	26
•Debtors recalcitrance/failure to file papers	18
•No such circumstances	6
•Lack of creditors involvement	6
•Lack of participants knowledge of procedures	4
•Lack of cash resources	2
•No interested assets purchasers	1
•Too many cases	1

Note Some responses cited more than one reason

Question 11

Assuming an increase in size and complexity of bankruptcy cases, do you believe your court can deal with the increase effectively?

	<u>Numbers</u>	<u>Percentages</u>
Yes	23	35%
No	35	54%
No answer	7	11%
Total	65	100%

Question 12

Do you currently use standard forms, such as petitions filed by creditors or debtors, list of assets, debtors' financial obligations, list of creditors? If the answer is yes, please specify

Use of standard forms

	<u>Numbers</u>	<u>Percentages</u>
Yes	12	18%
No	37	57%
No answer/Unclear	16	25%
Total	65	100%

Question 13

Do you currently use forms created or suggested by the Ministry of Justice or their foreign advisors, like USAID or other? Give examples

USAID forms use

No	38	58%
No answer	15	23%
Yes	7	11%
RBI Forms	2	3%
Unknown	2	3%
Partial use	1	2%
Total	65	100%

Question 14

Do you believe that the use of standard forms throughout the country would increase the efficiency of the court's administrative activity?
(petitions submitted by debtors or creditors, list of assets, debtor's financial obligations, list of creditors)

Would forms increase efficiency?

Yes	43	66%
No	7	11%
No answer	15	23%
Total	65	100%

Question 15

Should the use of standard forms be required
countrywide?

Should forms be required?

Yes	43	66%
No	6	9%
No answer/ Undecided	16	25%
Total	65	100%

Question 16

What statistics regarding bankruptcy would be useful to the Ministry of Justice, based on data provided by all courts in the country apart from current statistics?

•No response	26	40%
•Unknown	19	39%
•No answer	10	15%
•Other	10	15%
Total	65	100%

Note No clear indication emerges as to what statistics would be useful to the Ministry

Question 17

What do you think the Ministry of Justice could/should do to make your activity more effective?

•No answer	21
•Cooperation with RBI	10
•Training/Computers	8
•Modify Law 64	7
•Provide norms/guide materials/ simplified procedures	5
•Provide additional qualified staff	3

Question 17 (continuation)

What do you think the Ministry of Justice could/should do to make your activity more effective?

- | | |
|--|---|
| •Provide financial incentives for Syndic Judges | 2 |
| •Establish specialized body of administrators/liquidators/accounting experts | 1 |
| •Develop forms | 1 |

OBJECTIVE OF THE LAW

Articolul 2

Legea 64/1995	2%
Ordonanta de Urgenta 58/1997	20%
Propuneri ale IRF	76%
Opinii diferite	2%

1

PAYMENT OF EXPENSES - SPECIAL FUND

Articolul 3 - alineat 1

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	4%
Propuneri ale IRF	92%
Opinii diferite	4%

Law 64: N/A
EO 58: FROM ASSESS
RBI: SPECIAL FUND - LIST SURGEON

2

45

SYNDIC JUDGE APPOINTMENT

Articolul 8

Legea 64/1995	13%
Ordonanta de Urgenta 58/1997	0%
Propuneri ale IRF	84%
Opinii diferite	3%

64. PRIZ OF COURT
RBT LAN COURT

3

ADDS CONTRACT RESTRICTIONS TO JUDGE DUTY,

Articolul 10 - alin.1, pct.c)

Legea 64/1995	2%
Ordonanta de Urgenta 58/1997	11%
Propuneri ale IRF	84%
Opinii diferite	3%

64. Ø
58. MAINTAINING & "ANNULLING"
RBT "MAINTAINING OR RESTRICTING"
<TO AVOID "ANNULLMENT">

4

IMPORTANT

APPOINTMENT OF ADMIN. RECEIVER

Articolul 17 - alin. 1

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	5%
Propuneri ale IRF	93%
Opinii diferite	2%

Law 64: CR v/ 50% DEBT
EO 58: CR HOLDING 75% in DEBT by 50% VOTE
RBI. SYNODIC JUDGE, DESIGNATED BY TRIBUNAL

PETITION REGISTRATION

Articolul 25

Legea 64/1995	3%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	95%
Opinii diferite	2%

Law 64: PETITION POSTED within 48 HRS
- NO POSTING OF REJECTED PET

58
RBI. IF PET REJECTED POSTING &
PETITION WILL HAVE NO EFFECT

CONTESTATION

Articolele 25 si 26

Legea 64/1995	5%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	94%
Opinii diferite	1%

LAW 64: CONTESTATION PROVISIONS

58: \emptyset

RBI ABROGATED AS CONTRADICTORY

7

COMMUNICATION OF CONTESTATION DECISION

Articolul 27, alin.1

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	100%
Opinii diferite	0%

LAW 64 NOTICE TO CR/DR/COF Com Registry of COM

58: \emptyset

RBI. NOTICE TO CR/DR/COF Com AT PAPER 1

PETITION REQUESTS

NOTICE TO INCLUDE DATE OF 1ST CR. MTG. - REMOVED

Articolul 28, alin.1

Legea 64/1995	5%
Ordonanta de Urgenta 58/1997	N/A
Propunerii ale IRF	92%
Opinii diferite	3%

LAW 64: MTG DATE INCLUDED IN NOTICE,
58: *[initials]*

RBI: CRT MTG NOT INCLUDED IN NOTICE
JUST REQ MTG W/30 DAYS OF OPENING
OF PROCEEDINGS

DEBTOR PENALTY 1%

IMPORTANT

Articolul 29

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	N/A
Propunerii ale IRF	95%
Opinii diferite	5%

LAW 64: NO PENALTY
58: *[initials]*

10

RBI: 1% = ADMINISTRATOR'S SALARY FOR
FAILURE TO FILE PAPERS

CLARIFICATION OF WORDING: { FILING OF PETITION
EXP. TIME FOR CONTESTATION
REJECT OBJECTION

Articolul 30

> "AFTER OPENING OF PROCEDURE"

Legea 64/1995	2%
Ordonanta de Urgenta 58/1997	N/A
Propunerile ale IRF	95%
Opinii diferite	3%

64: 3 FURN
58: 0

11

RE: "AFTER OPENING OF PROCEDURE"

APPLIES SECT 3 TO BOTH REORG/LIQ IMPORTANT

Articolul 38

ARTS APPLIED TO
36-54

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	9%
Propunerile ale IRF	89%
Opinii diferite	2%

LAW 64 APPLIES TO BOTH
58 APPLIES TO ONLY LIQUIDATED
RE: BOTH

1-

- FRANK TRANSFER MADE FOR LESS THAN REAL VALUE (arts 9 & 40)
- EXECUTORY CONTRACT (Art 46)
- SECTION 3 IS ART 36-54

ADDS ADMINISTRATION AS WELL AS SYNDIC JUDGE
& CREDITORS COMMITTEE

Articolul 44

AS THOSE CASE

RECOVER TRANSFER

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	5%
Propuneri ale IRF	94%
Opinii diferite	1%

LAW 64, JUDGE/CREDITORS COMMITTEE -
58: " " " " " " LIQUIDATOR ¹³
AS JUDGE/CREDITORS COMMITTEE/LIQUIDATOR

REJECTION OF CONTRACT

Articolul 46-alin. 1,2 si 5

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	6%
Propuneri ale IRF	91%
Opinii diferite	3%

RBF - CHAPTERS WORKING TO BE
CONSISTENT w/ ART 10(e)

¹⁴

RTI/ASSUMPTION OF PERSONAL SERVICE CONTRACT

Articolul 52 WHO CAN ASSUME

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	14%
Propuneri ale IRF	83%
Opinii diferite	3%

LAW 64 "SYNDIC/ADMIN MAY NOT ASSUME UNDER CR. RECAPS"
 58, SYNDIC LIQUIDATOR
 RBI: SYNDIC JUDGE ONLY

LIQUIDATION UPON FAILURE TO FOLLOW PLAN

Articolul 60

UPON REQUEST OF
 ADMIN/PROCTOR/REPORTER
 THE (COURT/TRIBUNAL) MAY

Legea 64/1995	8%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	90%
Opinii diferite	2%

LAW 64 COURT
 58 /
 LAW - TRIBUNAL

COMMUNICATION OF PLAN ACCEPTANCE

Articolul 62-alin 2, lit b + alin 4

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	100%
Opinii diferite	0%

Law 64 TO CR/DR/STAFF HOLLAND
58? N/A

17

RBI CR/DR/ FILES IN CHAM OF COMM
ALSO INFORMED PERSON CAN FILE THE REQUEST FOR

ELIMINATION OF SUBORDINATION OF CLAIM

Articolul 63 *Per Art 108(c)*

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	98%
Opinii diferite	2%

Law 64 Art 63 (4)(c) CONTAIN SUBORDINATION
58

RBI = ELIMINATION NOTION OF SUBORDINATION
(CONSISTENT W/ ART 108(c))

~~STATE BUDGETARY CLARK~~

Articolul 67, alin.3

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	6%
Propuneri ale IRF	91%
Opinii diferite	3%

LG4: NO PMP

58: ADOS: A/R TO STATE BUDGET & SOC SEC¹⁹

RBI: TAKEN INTO CONSIDERATION TEMPORARILY
RBI: ~~NOT~~ PROVISIONALLY TAKEN INTO CONSIDERATION

Articolul 67-art.3

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	7%
Propuneri ale IRF	93%
Opinii diferite	0%

LG4: ✓
EO 58:

-0

RBI: ART 7 WILL HAVE CONFLICT OF ART 75
> UNCLERAR

TRIBUNAL MAY IMPOSE RESTRICTIONS & CONDITIONS
WHEN RULING ON CONTINUATION OF MEMBERS ACTIVITY

Articolul 69 - alin. 2

Legea 64/1995	2%
Ordonanta de Urgenta 58/1997	N/A
Propunerii ale IRF	95%
Opinii diferite	3%

in 64: 58

ABT: ADDS "TRIBUNAL CAN IMPOSE CONDITIONS
IN ITS RULING ON MEMBERS ACTIVITY"

21

DEBTS NOT SUBJECT TO VERIFICATION

Articolul 86 - alin.2

Legea 64/1995	13%
Ordonanta de Urgenta 58/1997	N/A
Propunerii ale IRF	84%
Opinii diferite	3%

REI. 11- 11- 11- 11- 11- 11-

55¹

INTEREST ON SEC DEFICI IMPORTANT

Articolul 87

Legea 64/1995	7%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	91%
Opinii diferite	2%

IN 64: NO INTEREST AS OF REGISTRATION
58: \emptyset

RBT: NO INTEREST AS OF DAY OF OFFICIAL
OPENING CASE

ADDS: P THAT FINAL TABLE OF ADJUSTMENT HAS

Articolul 95

LEGAL POWER OF
WLT OF EXECUTION

Legea 64/1995	5%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	95%
Opinii diferite	0%

IN 64: \emptyset
58: \emptyset

RBT: FULL LEGAL EFFECT (GIVEN)

BUDGETARY REFORMS IMPORTANT

Articolul 106

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	3%
Propuneri ale IRF	95%
Opinii diferite	2%

AN 64: Ø
58: ADDS THAT STATE BUDGETARY DEBT MAY²⁵
BE REPAYED IN COMPLIANCE WITH ORD 1/1996
RBI = ABBREVIATED

ORDER OF PRIORITY IMPORTANT

Articolul 107

Legea 64/1995	0%
Ordonanta de Urgenta 58/1997	13%
Propuneri ale IRF	87%
Opinii diferite	0%

64: Ø
58: LIST → NEXT PAGE⁶
RBI. OTHER LIST → NEXT PAGE

ARTICLE 107	
Law no 64/1995	0%
<p>Emergency Ordinance no 58/1997</p> <p>The unsecured receivables shall be paid both in case of reorganization and liquidation of some assets of the debtor's property to a plan and in the case of bankruptcy, as follows</p> <ul style="list-style-type: none"> a duties, stamps and any other execution expenses due to the procedure set up in the current law b Remuneration of individuals hired under the provisions of Art 9, 17 and 18, also considering the provisions of Art 65, par (3) c credits opened with a bank with the due interest of expenses, d if the debtor is an individual, the amounts necessary to support him and his family as set up by the court, e the receivables resulting from contracts over at most 6 months prior to the start of the procedure, f the amounts due to third parties for food and rent over at most 6 months to the start of the procedure, g expenses incurred during the procedure, necessary to preserve and administer the assets of the debtor property, h Debts resulting from continuation of debtor's activity, as stipulated in Art 69, i Other unsecured receivables 	12 90%
<p>Proposals for Modification made by Romanian Bankruptcy Institute</p> <p>Art 107 will have the following content</p> <p>'The debts will be paid, both according to the reorganization plan and in case of liquidation in the following order</p> <ul style="list-style-type: none"> 1 Taxes, stamps, or any other expenses with the execution due to the procedure instituted by the present law, 2 Debts guaranteed by pledge or mortgage <u>(if these guarantees were constituted before the budgetary debts) upon some of debtor's assets</u> 3 the budgetary debts representing taxes, contributions, fines and other public incomes 4 The sums owed by the debtor to third parties as food and maintenance for 6 months before the initiator of the procedure as well as for the maintenance of the debtor as a natural entity and of his family the way they were given by the Tribunal 5 Debts arising from the work contracts over a period of time of at most 6 months prior to the procedure 6 Bank credits with their interests and due expenses given by companies during the reorganization period 7 Debts arising from the continuation of the debtor's activity in case of reorganization 8 Other unsecured debts 9 Associations and shareholders 	87 10%
Disagree/Different Opinion	0%

NO ASSET CHARGES / CREDIT CLOSING

Articolul 117

Legea 64/1995	7%
Ordonanta de Urgenta 58/1997	N/A
Propuneri ale IRF	92%
Opinii diferite	1%

LA 64: FINANCIAL SOURCES MUST AT ALL TIMES
58: IF NO ASSET TO COUNTERPARTY

RBI: ADDS: TABLE OF ADDS HAS POINT OF WHAT
OF PER.

CREDIT CLOSING: RBI ADDS SYNOPSIS ON DISCLOSURE CO

Articolul 120

COMPANY
DISSOLUTION

Legea 64/1995	8%
Ordonanta de Urgenta 58/1997	5%
Propuneri ale IRF	85%
Opinii diferite	0%

LA 64: 58: 85%

-5

RBI ADDS P 1201: SYNOPSIS CAN T-211-2-
w/ ~~FOR~~ CREDIT CLOSING ASK FOR
COMPANY DISSOLUTION